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‘House Price Index’ (HPI) and ‘Residential Property Price Index’ (RPPI)



RESERVE BANK OF INDIA

With reference to the comments on the ‘House Price Index’ (HPI) and ‘Residential Property Price Index’ (RPPI), compiled by the RBI in the news article on ‘Does a renovated NHB Residex help the homebuyers?’ published in Mumbai edition of Mint on July 19, 2017, the following are clarified:

1. HPI is compiled by RBI using the property registration data and is published quarterly with a lag of about one quarter which will also probably be the case with NHB’s RESDIEX. The latest HPI for March 2017 was published on Jul 17, 2017. Thus, the assertion in the news article that there is a huge lag in publishing of the HPI data is not correct.
2. RBI compiles RPPI using the assessed price of houses/flats etc., by selected banks and housing finance companies while sanctioning housing loans. A one-time article titled ‘Recent Trends in Residential Property Prices in India: An exploration using housing loan data’ was published on RBI website in May 2015, based on data for the period Q1: 2010-11 to Q3:14-15, to invite public comments on the methodology and usefulness of the data. (<https://rbi.org.in/scripts/PublicationsView.aspx?id=16223>). Subsequently, it was decided to use this data for internal purposes by RBI.

Jose J. Kattoor
Chief General Manager
Department of Communication
Reserve Bank of India
Central Office
Shahid Bhagat Singh Road
Mumbai 400 001
India